

Message

From: Donaldson, Guy [Donaldson.Guy@epa.gov]
Sent: 5/9/2019 9:43:43 PM
To: Price, Lisa [Price.Lisa@epa.gov]; Stenger, Wren [stenger.wren@epa.gov]
CC: Feldman, Michael [Feldman.Michael@epa.gov]; Olszewski, Joshua [olszewski.joshua@epa.gov]
Subject: Meeting with TCEQ on Regional Haze

We met with TCEQ staff today to discuss the comments we have received on the BART FIP we proposed to reaffirm for Texas and possible options for adjusting the program to address comments.

Donna Huff, Walker Williamson and Vince Meiller were there from their program. Terry Salem, John Minter and Amy Browning were there from their legal staff.

Michael Feldman, Jennifer Huser, Josh Olszewski and I were representing EPA.

TCEQ said they appreciated our sharing out thoughts before any final decisions were made and explained that they would be in listening mode. We had a good discussion of the major concerns that were raised by the commenters. In particular we spent a lot of time explaining how commenters had raised concerns regarding how this program was different than the CSAPR program upon which the BART demonstration was based. In particular, we are considering adding an assurance level to the program to more closely mirror the CSAPR program. An assurance level effectively puts a cap on the amount of banked or supplemental allowance credits that can be used in a single year in addition to the normal yearly source allocations. We provide our evaluation of emission levels and our belief that sources' emissions in the program should not ever approach the level of the Assurance level because of the substantial reductions in SO₂ emissions that have happened in recent years providing considerable head room.

Texas was not convinced that we needed to make this change to address this alleged problem. They point to the fact that there have been much greater reductions throughout the CSAPR area than we projected in the 2012 Better than BART analysis and we should consider those reductions in making our response. EPA is concerned, however, that if we start relying on more recent information that we will only undercut our original analysis and cause us to have to do a whole new modeling analysis with the more recent data raising all sorts of questions.

Texas did acknowledge that the change we are considering has advantages to other changes we might have considered but we might still get push back from industry. They also said we should pay attention to ERCOTS concerns about reserve capacity for the coming summer. I think this is mostly an optics problem in that any restriction on the cap might be considered a restriction on industry's ability to provide power but we believe that there is plenty of head room to meet potential high demand. Regarding push back from industry, we don't think this change will make it harder to comply and I think industry will remember that if we lose this program, they will have to look at source by source BART.

The TCEQ representative said that they could not speak for Texas as to whether there would be objections to this change. They said they would be briefing Tonya Baier next Monday and then probably brief further up the line in later weeks. They committed to keep us informed regarding their progress in elevating.

Hopefully Texas will support this change to help us shore up the defensibility of this program.